

FORM MR-RC
Revised May 30, 1990
RECLAMATION CONTRACT

File Number M/029/001
Effective Date _____

RECEIVED
OCT 03 1990

DIVISION OF
OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECLAMATION CONTRACT

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For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

ACT/029/001
Limestone and Sandstone

"MINE LOCATION":

(Name of Mine)
(Description)

Devil's Slide Plant Quarry
North of Interstate I-80 in Sec. 19

T.4N., R. 4E. and the E/2 E/2 Sec. 24
T.4N., R. 3 E., Morgan County, Utah

"DISTURBED AREA":

(Disturbed Acres)
(Legal Description)

239 Acres
Exhibit A

"OPERATOR":

(Company or Name)
(Address)

Holnam Inc.
c/o Dundee Cement Company
P.O. Box 122
Dundee, Michigan 48131
313-529-2411

(Phone)

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

Holnam, Ideal Cement

L. B. Giles

6055 East Croydon Road

Morgan, Utah 84050

801 829-6821

(Phone)

"OPERATOR'S OFFICER(S)":

Marc VonWyss President and CEO

James J. Woods Vice President

Robert J. Moir V.P. General Counsel

"SURETY":

(Form of Surety - Exhibit B)

Surety on file State Office

See Attached Letter

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Safeco Insurance Company of America

"SURETY AMOUNT":

(Escalated Dollars)

\$141,000.00

"ESCALATION YEAR":

1992

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

A "DISTURBED AREA":

B "SURETY":

Revision Dates:

1987 1990

1987

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. ACT/029/001 which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim the Disturbed Area in accordance with Operator's approved Reclamation Plan and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the surety attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Board in writing. If the surety contract expressly provides for cancellation, then, not less than 30 days, prior to the expiration date of the surety, the Operator shall provide a replacement surety in a form and amount acceptable to the Board. If the Operator fails to so provide an acceptable replacement surety, the Division may order the Operator to cease further mining activities and to begin reclamation of the site. In addition, if the Operator fails to so provide an acceptable replacement surety, the Division may call or draw upon the full amount of existing surety prior to cancellation or expiration.
3. Operator agrees to pay public liability and property damage claims resulting from mining as determined by the Board or the Division, to the extent provided in the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, and the Reclamation Plan.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention and the Reclamation Plan.
6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure to Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.

8. This Contract shall be governed and construed in accordance with the laws of the State.
9. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including attorneys fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this 25th day of October 19 90.

APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY 
Chairman, Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

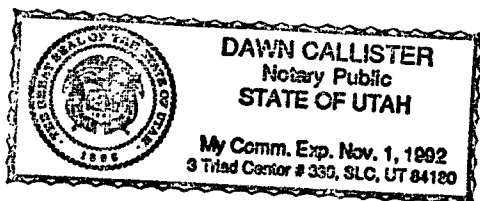
By DIANNE R. NIELSON
Director

10-25-90
Date

Dianne R. Nielson
Signature

STATE OF _____)
COUNTY OF _____) ss:

On the _____ day of _____, 19 _____, personally appeared before me, who being duly sworn did say that he/she, the said _____ is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledge to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.



Dawn Callister
Notary Public
Residing at: Salt Lake City

November 1, 1992
My Commission Expires:

OPERATOR:

Operator Name: Holnam, Inc.

By Robert J. Moir, Vice President
Corporate Officer - Position

9-5-90
Date

Robert J. Moir
Signature

STATE OF COLORADO)
COUNTY OF DENVER) ss:

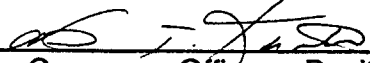
On the 5th day of September, 19 90, personally
appeared before me Robert J. Moir who being
by me duly sworn did say that he/~~she~~; the said Robert J. Moir
is the Vice President of Holnam Inc.
and duly acknowledged that said instrument was signed on behalf of said company by
authority of its bylaws or a resolution of its board of directors and said
Robert J. Moir duly acknowledged to me that said
company executed the same.

Y. K. Frozier
Notary Public
Residing at: Denver, Colorado

June 6, 1993
My Commission Expires:

SURETY:

SAFECO INSURANCE COMPANY OF AMERICA
Surety Company

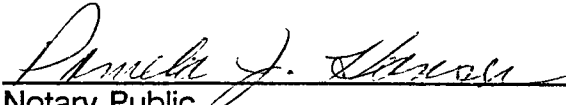
By 
Company Officer - Position
Attorney-in-Fact

September 19, 1990
Date

Signature

STATE OF COLORADO)
COUNTY OF DENVER) ss:

On the 19th day of September, 1990, personally
appeared before me Pamela J. Hansen who being
by me duly sworn did say that he/she, the said Vera T. Kalba
is the Attorney-in-Fact of SAFECO INSURANCE COMPANY OF AMERICA
and duly acknowledged that said instrument was signed on behalf of said company by
authority of its bylaws or a resolution of its board of directors and said
Vera T. Kalba duly acknowledged to me that said
company executed the same.


Notary Public
Residing at: 1700 Lincoln St. #4900
Denver, CO 80203

My Commission Expires Nov. 17, 1990

My Commission Expires: _____

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.



POWER
OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE SAFECO PLAZA
SEATTLE, WASHINGTON 98185

No. _____

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint

-----PATRICIA A. PHILLIPS; VERA T. KALBA; MaSHARON D. POSEY; PAMELA J. HANSEN;
Denver, Colorado-----

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA** have each executed and attested these presents

this _____ 9th _____ day of January, 19 90

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. — FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof "

I, Boh A. Dickey, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 19th day of SEPTEMBER, 19 90

APPENDIX "A"

Legal Descriptions of Permitted and Disturbed Areas Permit ACT/029/001 Devil's Slide, Morgan County, Utah

Permit ACT/029/001 involves some 390 acres of land that occupy large portions of land located north of Interstate I-80 in Section 19, T.4 N., R.4 E. and the E/2 E/2 Section 24, T.4 N., R.3 E in Morgan County, Utah, described as follows:

PERMITTED AREA DESCRIPTION

Beginning at a point in the north line of said Section 19 that is located 411 feet easterly of the northwest corner of Section 19.

thence North 89 degrees 51' 10" East,	3895.01 feet
thence South 16 degrees 20' 33" East,	2754.28 feet
thence South 57 degrees 45' 48" West,	656.14 feet
thence North 18 degrees 26' 06" West,	300.42 feet
thence South 47 degrees 38' 33" West,	1380.33 feet
thence South 41 degrees 21' 50" West,	1059.26 feet
thence due West,	345.00 feet
thence North 23 degrees 54' 52" West,	1208.77 feet
thence North 39 degrees 32' 46" West,	282.71 feet
thence North 78 degrees 14' 49" West,	304.38 feet
thence South 78 degrees 25' 25" West,	548.15 feet
thence South 44 degrees 49' 42" West,	472.35 feet
thence North 54 degrees 44' 25" West,	718.88 feet
thence North 64 degrees 04' 30" West,	480.34 feet
thence North 71 degrees 26' 59" West,	314.33 feet
thence due North,	1010.00 feet
thence due East,	200.00 feet
thence North 45 degrees 00' 00" East,	1414.21 feet
thence due North	748.00 feet
to the point of beginning.	

WESTERLY DISTURBED AREA

Permit (ACT/029/001), Page 2

Beginning at a point that is South 14 degrees 05' 56" West
2,881.81 feet from the Northeast corner of Section 24, T.4 N.,
R.3 E.

thence North 19 degrees 24' 25" East, 577.83 feet
thence North 55 degrees 31' 26" West, 181.96 feet
thence North 31 degrees 07' 30" East, 731.27 feet
thence South 69 degrees 56' 03" East, 177.79 feet
thence South 30 degrees 02' 00" West, 665.33 feet
thence South 74 degrees 52' 07" East, 203.04 feet
thence North 39 degrees 43' 58" East, 1109.18 feet
thence North 82 degrees 37' 03" East, 303.52 feet
thence North 14 degrees 54' 49" East, 617.81 feet
thence North 50 degrees 59' 11" East, 657.66 feet
thence North 80 degrees 38' 38" East, 1328.68 feet
thence South 31 degrees 43' 46" East, 616.08 feet
thence South 86 degrees 26' 15" East, 257.50 feet
thence South 15 degrees 00' 49" West, 582.90 feet
thence South 51 degrees 45' 19" West, 1250.36 feet
thence South 29 degrees 07' 02" West, 622.69 feet
thence South 02 degrees 20' 26" East, 367.31 feet
thence South 75 degrees 20' 49" East, 225.33 feet
thence South 01 degrees 05' 25" East, 578.11 feet
thence North 61 degrees 58' 19" West, 227.71 feet
thence North 36 degrees 44' 39" West, 364.40 feet
thence North 78 degrees 41' 24" West, 321.24 feet
thence South 78 degrees 05' 05" West, 557.00 feet
thence South 45 degrees 00' 00" West, 427.09 feet
thence North 54 degrees 51' 07" West, 871.99 feet
thence North 71 degrees 57' 00" West, 564.80 feet
to the Point of Beginning. Said parcel contains
162 acres, more or less.

EASTERLY DISTURBED AREA

Beginning at a point that is South 37 degrees 14' 27" East,
4,263.29 feet from the Northwest corner Section 19, T.4 N.,
R.4 W.

thence North 19 degrees 11' 35" East, 501.90 feet
thence North 59 degrees 12' 57" West, 273.54 feet
thence North 30 degrees 52' 43" East, 1153.50 feet
thence North 70 degrees 36' 32" East, 454.80 feet
thence North 40 degrees 19' 29" East, 494.50 feet
thence South 54 degrees 22' 09" East, 786.18 feet
thence South 26 degrees 48' 24" East, 529.95 feet
thence South 42 degrees 17' 01" East, 387.93 feet
thence South 16 degrees 33' 52" East, 203.44 feet
thence South 58 degrees 35' 51" West, 604.55 feet
thence North 18 degrees 41' 05" West, 290.30 feet
thence South 47 degrees 40' 49" West, 1421.43 feet
thence North 71 degrees 00' 49" West, 854.49 feet
to the Point of Beginning. Said parcel contains 77
acres more or less.